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CHAPTER 9

THE SOCIAL CAPITAL OF TWENTY-FIRST-CENTURY LEADERS

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The vision of the twenty-first century includes increased acceleration of change in technology and the environment, increased uncertainty, and increased information processing requirements. Such rapid change does not bode well for the traditional military-style organization, be it in the armed forces or the private or public sector business communities. When confronted with the rapid change of the next century, a bureaucratic/military organizational design, with rigid hierarchies of authority, unity of command, and vertical lines of communication, probably will not function as efficiently as it has in the past. Change is already occurring. Bureaucratic, vertically integrated organizations are being replaced by small, flexible organizations engaging in joint ventures. The private sector organization is downsizing and restructuring, and it is apparent that the government and public sector organizations, including the military, are decreasing in size.

Some have suggested the emergence of a new organizational form—the network organization (Baker, 1992; Krackhardt, 1994; Miles & Snow, 1986; Nohria & Eccles, 1992)—a temporary configuration of modular business units linked together by opportunistic synergies, borne of the necessity of rapid change (Snow & Snell, 1993). Leadership in a network organization will involve identifying, locating, and organizing the necessary competencies across organizational and international boundaries. Effective leaders will become human resource brokers, bringing together the right mix of people and technology to offer successfully a product or service. Needed resources will be contracted through an ongoing network of intra- or extra-organizational connections.

Leadership will require identifying and nurturing potential relationships, putting the right people together in the right place at the right time, only to realize that this combination of people, places, and times will soon change. Although forecasts of "internet organizations" and synthetic and computerized interaction have emerged, it is obvious that the network organization places additional importance on relationships.

Although it is unlikely that the army will become the non-hierarchical organization exemplified by a network organization, it is apparent that its mission in the twenty-first century will involve more joint ventures with other branches of the U.S. military, the armed forces of a variety of other countries (particularly NATO forces), and civilian populations throughout the United States and the world. In addition to wartime activities, the army will be involved in more peacekeeping activities, humanitarian relief missions, and providing order and relief following natural and man-made disasters (e.g., earthquakes, floods, chemical or nuclear spills). All these activities will likely be joint (involving other civilian and military organizations) and global (involving other countries). These joint, global missions will require teamwork, entrepreneurial initiative, and less reliance on traditional authority relationships. All indications point toward the importance of a more efficient use of social capital.

SOCIAL CAPITAL

Despite the acknowledgment that leaders spend most of their time interacting with others (Mintzberg, 1973), and despite the popular press prescriptions for networking, the social capital of leaders is perhaps the most ignored, under-researched aspect of leadership. In contrast to human capital (traits, characteristics, behaviors, styles), social capital refers to relationships with other actors, and the accompanying access to information, resources, opportunities, and control (Burt, 1992; Coleman, 1988). Social capital is the property of relationships; if either actor withdraws, the relationship and the social capital dissolve. Because organizational leadership involves accomplishing work through others, it is critical that we assess the social capital of leaders. Without social capital, human capital and financial capital (money, credit, and so forth) may be worthless.

Social capital is at the heart of social network analysis. The social network perspective begins with the assumption that actors are embedded in a complex web (or network) of interrelationships with other actors. These networks of relationships provide the opportunities and constraints that may be the causal forces of leadership.

LEADERSHIP

Accomplishing work through others has always been the essence of leadership. The myth of leadership is that it occurs in isolation. Despite decades of research

